



Neighborhood Networks Virtual Conference

How the Community Reinvestment
Act Can Assist Neighborhood
Networks Centers

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Community Reinvestment Act

Moderator:

- ☐ *Tarrie Cooper, HUD*

Presenters:

- ☐ *Karen Tucker, Office of the Comptroller of the Currency, US Treasury*
- ☐ *Gail West, HUD Alaska*
- ☐ *Craig Knudsvig, LaGrave Learning Center*



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The Basics of CRA





The CRA

- ❑ Congress enacted the **Community Reinvestment Act** in 1977
- ❑ Addresses how banking institutions meet credit needs of their low- and moderate-income neighborhoods





Community Reinvestment Act

- ❑ Enacted to prevent redlining and to encourage banks and thrifts to help meet the credit needs of all segments of their communities, including low- and moderate-income neighborhoods.
- ❑ It extends and clarifies the longstanding expectation that banks will serve the convenience and needs of their local communities.





Community Reinvestment Act

- ❑ Regulations require federal financial institution regulators to assess the record of each bank.
- ❑ The federal financial institution regulators are: Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision.





Community Reinvestment Act

Under CRA banks have:

- ☐ opened new branches,
- ☐ provided expanded services,
- ☐ adopted more flexible credit underwriting standards,
- ☐ and made substantial commitments to state and local governments or community development organizations to increase lending to underserved segments of local economies and populations.





Community Reinvestment Act

- ❑ The CRA's implementing regulation requires the OCC to assess a national bank's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations.





OCC Activities

- ❑ Conducts and publishes CRA examinations.
- ❑ Performance evaluation is prepared at the end of each CRA examination and made available to the general public.
- ❑ Encourages community and civic organizations to express their views about a bank's CRA performance.





Contact Information

Karen Tucker

National Bank Examiner & Compliance Specialist-
Office of the Comptroller of the Currency

Telephone: (202) 874-4428

Email: karen.tucker@occ.treas.gov

www.occ.treas.gov





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The CRA and Community Partnerships





CRA & Community Partnerships

CRA Tests

- ☐ Lending Test
- ☐ Service Test
- ☐ Investment Test





CRA & Community Partnerships

Neighborhood Networks

- ☐ May need a loan
- ☐ May need a banker's time & talent
- ☐ May need grants





CRA & Community Partnerships

Creating the Relationship

- ☐ CRA Officer
- ☐ Business plan/tour
- ☐ Volunteerism & grant guidelines
- ☐ Offer opportunities
- ☐ Be straight





CRA & Community Partnerships

Maintaining the Relationship

- ☐ Regular contact
- ☐ You as presenter
- ☐ Brainstorm





CRA & Community Partnerships

Success

☐ Trust

☐ Committed partner





Contact Information

Gail West

HUD Community Builder, Alaska

(907) 271-4610

gail_west@hud.gov

www.hud.gov





Community Reinvestment Act

How to develop partnerships
with your local banks





PARTNERING PRINCIPLES

- ❑ It's not accidental - have a plan and make partnering a part of it.
- ❑ It is BUSINESS!
- ❑ You must give to receive, i.e, how can you help a bank (or any other partner)?
- ❑ Regular contact - Partners and potential partners need to see you often. They need to see you producing, not just asking.





PARTNERING PRINCIPLES

- ❑ It's a process, not an event.
Relationships are built through time, success, failure, and the exchange of ideas covering more than just a single topic. It's still about a couple of people reaching an agreement.
- ❑ The best way to earn someone's support is to let them help you.





KEY CONCEPTS

- ☐ You are not the only one looking for \$\$
- ☐ You're also not the only one with a good idea
- ☐ How does a NN Center benefit the (bank's) community?
- ☐ Find a "best friend" in the financial community





KEY CONCEPTS

- ❑ Proposed uses of funds should be as simple and flexible as possible
- ❑ Focus - Does your idea stand alone?
Many are tied to existing programs, but when you make your case for \$\$ you need to be able to focus on it without reservation or qualification.






HINTS

- ❑ Have bankers/financial community involved in steering committees, advisory boards, etc.
- ❑ Who is your property owner's banker?
- ❑ Sometimes warm and fuzzy doesn't work!
- ❑ Connections - Chamber, nonprofit boards, education



HINTS

- 
- ❑ Generally CRA grants are small amounts
 - ❑ Uses
 - Not for operating expenses
 - New ideas
 - Wish list
 - Something that can be measured



Contact Information

Craig Knudsvig

LaGrave Learning Center

832 4th Avenue, Grand Forks ND 58201

(701) 795-6300 or (701) 746-2545

knudsvig@lagrave.com

www.lagrave.com





Presentation Wrap-Up

- ☐ CRA Regulation
- ☐ CRA Tests
- ☐ CRA and Community Partnerships
- ☐ Partnering with Local Banks
- ☐ Hints and Suggestions for Working with Banks





Community Reinvestment Act Web Resources

- ❑ National Community Reinvestment Coalition:
www.ncrc.org
- ❑ National Low Income Housing Coalition:
www.nlihc.org
- ❑ Federal Reserve Board:
www.federalreserve.gov
- ❑ Inner City Press' Guide to the CRA and
News: www.innercitypress.org/cra.html
- ❑ FDIC: www.fdic.gov/banknews





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Visit the Neighborhood Networks
Web site for information on all
conference sessions:

www.neighborhoodnetworks.org

Following the conference audio files
and articles will be posted.





Neighborhood Networks Virtual Conference

We also encourage you to participate
in our online networking session on
the **Community Reinvestment Act.**

Just click on the Online
Networking icon from the
Neighborhood Networks Web site.





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Thank you for joining us today.

